

AUGUST 3, 1953

Ideas That Would Be Worth Dollars... p. 17

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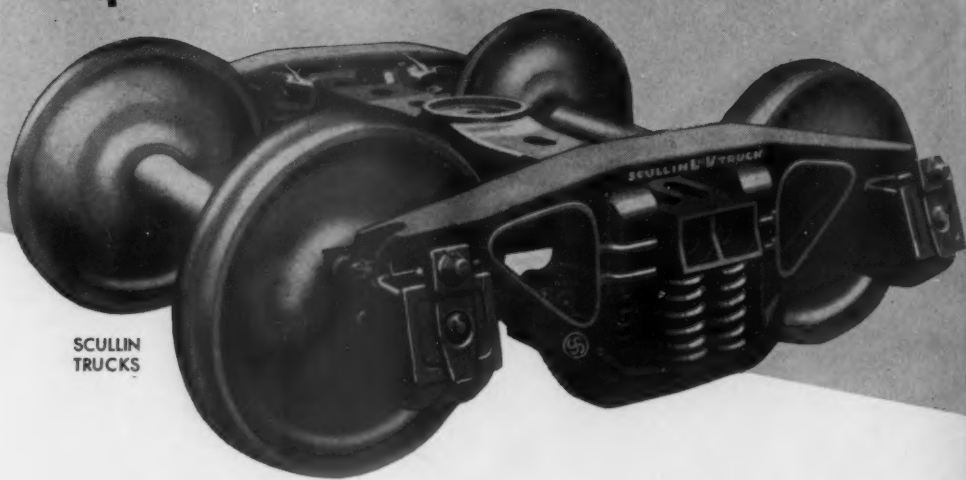
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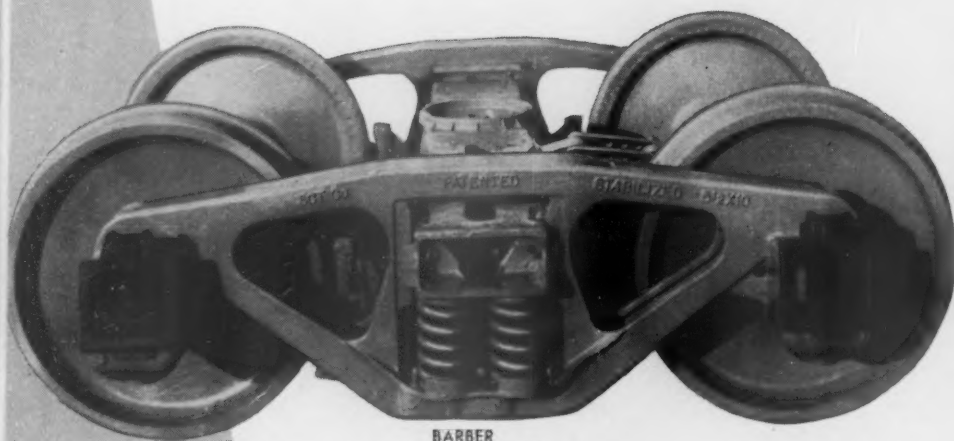


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High Speed Trucks



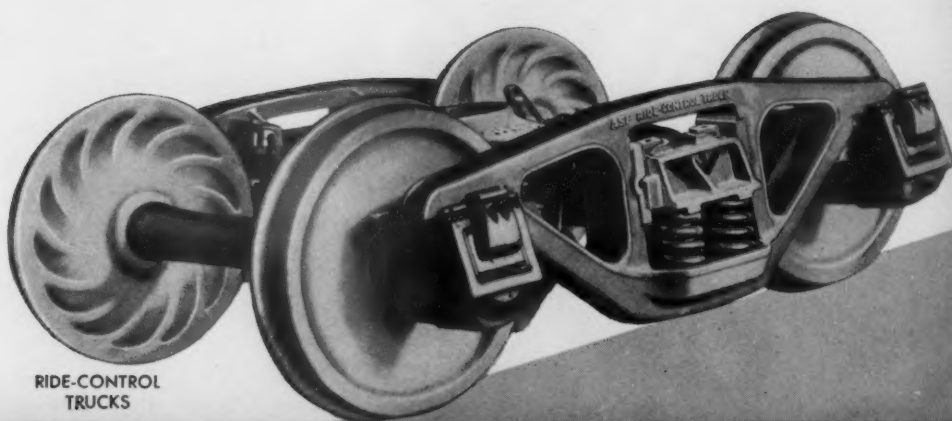
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RAILWAY AGE

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Aug. 3, 1953 NEWS ISSUE Vol. 135, No. 5

Week at a Glance

Another Ill-Fated Experiment in government operation of transportation facilities came to an end last week, with sale to private interests of the Inland Waterways Corporation. **9**

Ex Parte 175 Rate Increases have been extended for 22 months. **10**

Future of the Railway Express Agency, once a question mark, now seems assured. The I.C.C. last week approved a 15 per cent rate increase; and almost simultaneously 73 major railroads asked approval of a new contract running through 1973. **10, 11**

FORUM: The Right Ideas on merchandising and pricing of railway service could easily be worth as much to the industry as another revolutionary new type of equipment. **17**

BRIEFS

New President of the Brotherhood of Locomotive Firemen & Enginemen, just elected to succeed David B. Robertson on September 1, will be H. E. Gilbert, of Chicago, a vice-president of the brotherhood since 1947.

With Full Dieselization of the railroads drawing nearer, the Electro-Motive Division of General Motors Corporation plans, by September, to reduce its output of diesel locomotives from 7½ to 4 units daily. Other builders also are trimming production. Rebuilding older locomotives and a growing parts business have taken up some of the slack for E.-M.D.

More "Piggy-Backs!"—Highway trailers of the Pacific Motor Trucking Company (a Southern Pacific subsidiary) are now being handled between San Francisco and Los Angeles on the SP's overnight merchan-

Current Statistics

Operating revenues, five months	
1953	\$ 4,402,826,098
1952	4,306,097,045
Operating expenses, five months	
1953	\$ 3,333,902,343
1952	3,354,709,662
Taxes, five months	
1953	\$ 528,215,942
1952	506,471,365
Net railway operating income, five months	
1953	\$ 448,770,942
1952	374,463,064
Net income, estimated, five months	
1953	\$ 338,000,000
1952	260,000,000
Average price railroad stocks	
July 28, 1953.....	63.31
July 29, 1952.....	63.94
Car loadings revenue freight	
Twenty-nine weeks, 1953....	21,111,726
Twenty-nine weeks, 1952....	20,164,803
Average daily freight car surplus	
July 25, 1953.....	26,554
July 26, 1952.....	39,008
Average daily freight car shortage	
July 25, 1953.....	2,385
July 26, 1952.....	1,620
Freight cars delivered	
June 1953	6,463
June 1952	6,411
Freight cars on order	
July 1, 1953.....	52,315
July 1, 1952.....	99,615
Freight cars held for repairs	
July 1, 1953.....	95,768
July 1, 1952.....	105,255
Average number of railroad employees	
Mid-June, 1953	1,228,201
Mid-June, 1952	1,225,134

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Week at a Glance CONTINUED

dise trains. The SP's new service, like that recently inaugurated in Texas and Louisiana, does not accommodate common carrier truckers.

Several Roads Are Suing the New York, Susquehanna & Western—some of them to recover a total of \$2.30 a car per diem on cars used by the Susquehanna since it discontinued paying standard per diems in 1951. Say some of the complaining roads: "Since the Susquehanna does not recognize the agreement covering the present \$2 per diem (which we think is inadequate), we won't either." Hence a higher figure.

Headquarters of the Committee on Railway Mail Transportation were moved from Chicago to Washington, D. C., on August 1. Herbert B. Brand is chairman of the committee.

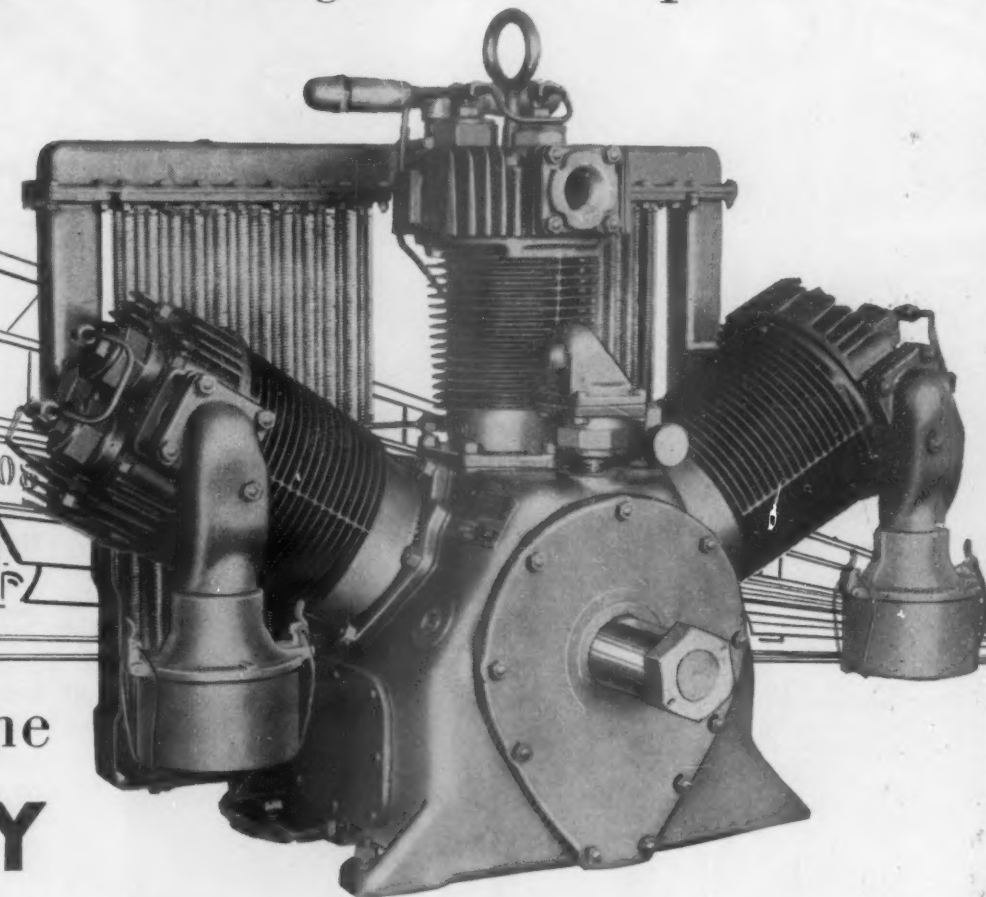
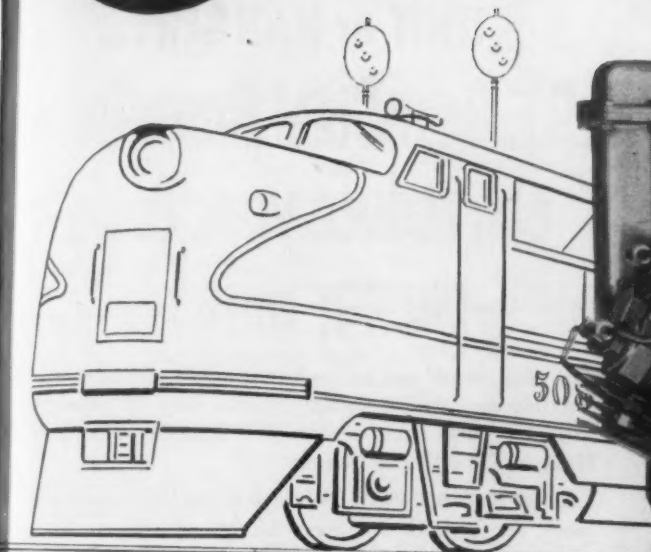
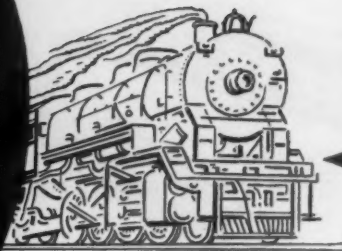
A Radio-Rules Bill, from which all mention of "rules" had been eliminated, was passed by the Senate last week. The measure, which now goes to the House, would amend Section 25(b) of the I.C. Act by adding "radio and other electronic devices" to those items which the I.C.C. may require railroads to install.

An Indefinite Delay in the I.C.C.'s truck "trip-leasing" order has been requested by the Senate Agriculture Committee. The committee asked the commission to delay its order until the Senate has had time to act on a House-approved measure which would end the I.C.C.'s authority to prohibit trip leasing. The commission order is scheduled to become effective September 1.

ADVERTISERS IN THIS ISSUE

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Armco Steel Corporation		Advertising Agency
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Inland Waterways Is Sold

St. Louis firm will pay \$9,000,000 for all facilities of the government corporation

The government has sold all facilities of the Inland Waterways Corporation to a subsidiary of the St. Louis Shipbuilding & Steel Co. for \$9,000,000.

Secretary of Commerce Sinclair Weeks announced the sale July 24. I.W.C., operating as the Federal Barge Lines, has been in the transportation business since World War I. Its assets include towboats, tugs, and barges, and an 18-mile railroad, as well as docks and terminal facilities.

Federal Waterways Corporation, the purchaser, is a wholly owned subsidiary of the St. Louis shipbuilding firm. The shipbuilding company has not heretofore engaged in common carrier service.

Acquisition of the government-operated barge line carried with it this requirement: The purchaser must con-

tinue common carrier service "in a manner substantially similar to the services rendered by I.W.C." This requirement runs for 20 years.

The barge line operates on the Mississippi, Missouri, Illinois and Warrior rivers. Herman T. Pott, chairman of Federal Waterways, said he hopes eventually to extend Missouri river operations as far as Sioux City, Iowa.

Subject to I.C.C. Approval

Transfer of I.W.C. operating rights to the new company is subject to approval by the Interstate Commerce Commission. Until temporary authority is obtained, the government will continue to operate the facilities.

The purchase contract sets forth in detail just what the purchaser must do

to provide service "substantially similar" to that previously provided by I.W.C. It calls for common carrier freight service, including the transportation of such less-than-barge-load shipments "as can reasonably be anticipated" with active solicitation.

This I.b.l. requirement is spelled out to make certain there will be "active solicitation." Fourteen per cent of total tonnage, or 375,000 tons, whichever is less, must come within this category. The purchaser can be made to pay \$2 per ton for each ton he falls short.

The contract states further that the purchaser must maintain joint tariffs with rail carriers "as authorized by law." He must also be alert to make "reasonable arrangements for interline traffic with other barge, rail and truck lines."

There are definite requirements as to the number of round trips to be made annually between major river ports served by the line: Between St. Louis and New Orleans, 125; St. Louis and St. Paul-Minneapolis, 40; St. Louis and

Automatic Electronic Retarder Control

New control system is based on weight classifications, and on speed, which is measured by ultrahigh-frequency radiation using Doppler effect

An electronic device, using ultrahigh-frequency radiation, that instantaneously and constantly measures the speed of cars, and automatically controls retarders on this speed basis, as well as weight classifications set up automatically, has been developed by the General Railway Signal Company

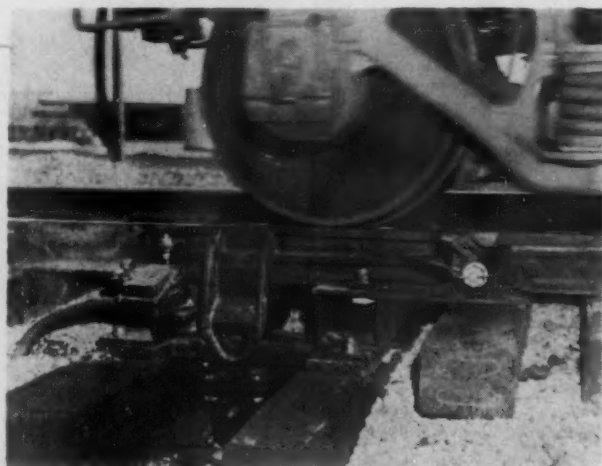
for use in railroad classification yards.

The weight-detector unit is located alongside one rail in approach to the first retarder coming down the hump. As cars roll over this device, preliminary controls are established, based on light, medium or heavy loads. Then the ultrahigh-frequency electronic device

(located between the rails near the leaving end) measures the speed of a car or cut of cars as it approaches and passes through the retarder, which is automatically controlled to release the car at the proper speed, suitable to its weight class.

Thus, with this system, retarders are normally controlled automatically. However, the control machine includes conventional manual control to be used if needed.

This new ultrahigh-frequency automatic retarder control system has been in service several months on 16 tracks of a large midwestern classification yard.



THE AUTOMATIC WEIGHT DETECTING UNIT is located in approach to the first retarder going down the hump in a classification yard.



THE ULTRAHIGH-FREQUENCY ELECTRONIC SPEED MEASURING UNIT is in a special case between the rails near the leaving end of each retarder.

Chicago, 75; St. Louis and Omaha, 16, and New Orleans and Port Birmingham, Ala., 18.

Secretary Weeks called the sale of I.W.C. "a good business transaction for the taxpayers." He noted that the corporation lost \$9,749,000 in the 12 years from 1939 through 1952, and showed a profit in only two of those years.

"We liquidated a government-operated system, in which losses over the years had been made up by the taxpayers, and we obtained for the public the highest sales price ever offered for it," he said.

Over the years the barge line has depreciated greatly, he added. He said current fixed assets have a book value—based on a 20-year depreciation schedule—of approximately \$9,100,000.

Physical properties included in the sale are 20 towboats, four tugs, and 253 barges, in addition to 20 barges and one towboat now under construction.

Also included in the assets is the terminal railroad between Port Birmingham, Ala., and Ensley. It provides a connecting link between Warrior river barge service and trunk line railroads serving the Southeast.

The \$9,000,000 purchase price for the I.W.C. facilities will be paid in installments over the next 10 years. The first such installment, \$444,000, will be due June 30, 1954. Interest on the unpaid balance will be at the rate of 3 3/4 per cent.

Principal initial outlay for the purchaser will be \$1,000,000 for working capital. This amount must be available to Federal Waterways when it accepts delivery of the I.W.C. facilities. The government retained all "quick assets" of I.W.C. in making the sale.

The Inland Waterways Corporation had its origins in a study by the Council of National Defense in June 1917. Actual operations of the federal water carrier began in September 1918.

Trucks Can't Recoup Tax Cost With a Surcharge

Motor carriers operating in New York state have been ordered to cancel surcharges which were imposed to recover the cost of a weight-distance tax.

The Interstate Commerce Commission ruled last week that the surcharges were "unjust and unreasonable." The commission said the truckers failed to advance "any convincingly valid reason for use of this extraordinary method of rate-making."

The New York tax became law in 1951. It applies on vehicles weighing in excess of 18,000 pounds, loaded or empty, and the tax is computed by multiplying the tax rate by the miles travelled. The tax rate ranges from 0.6 to 2.4 cents per mile.

Motor carriers, claiming the tax would cost them approximately \$1 million annually, established the surcharges to recover this cost. The surcharge tariffs were suspended by the

I.C.C., but the suspension expired May 8, 1952, and they became effective.

The I.C.C. said it was not concerned so much with the level of the surcharges, but whether it was proper to maintain separate surcharges to cover this tax. The commission added:

"We agree, generally, it is not a sound and orderly rate-making practice to isolate a single operating tax from all other operating expenses and maintain a surcharge based thereon."

Rates & Fares

Ex Parte 175 Rates Extended

I.C.C. grants 22-month extension of "175" surcharges, but won't permit integration into basic rate structure

Acting with unprecedented speed, the Interstate Commerce Commission last week authorized a 22 month extension of all Ex Parte 175 surcharges.

The commission action came less than three weeks after the case was argued. There was no report, merely a one-page order. The report will come later, the commission said. Ex Parte 175 increases, averaging about 13.8 per cent on a nationwide basis, have been published as surcharges. Authority to maintain such surcharges was scheduled to expire February 28, 1954. This

new I.C.C. ruling extends the authority to December 31, 1955.

The commission rejected the railroads' plea that no future expiration date be set. The roads wanted to integrate "175" surcharges into the general rate structure; this was denied.

Reasons behind the commission's findings will be spelled out in a forthcoming report. The commission said it "departed from its practice of the past" by issuing an order without an accompanying report, but this was done to speed announcement of its decision.

REA Wins 15 Per Cent Rate Rise

I.C.C. approves the increase and estimates it will produce added revenue of \$55 million annually

The Railway Express Agency has been authorized to increase its rates and charges by an average of about 15 per cent. Assuming no loss of traffic, the increases will yield added revenue of approximately \$55,000,000 annually.

The Interstate Commerce Commission's order approving the increases was made public July 29. The commission's decision was 7 to 2, with Commissioners Alldredge and Cross dissenting. The case was Ex Parte No. 185.

An average increase of about 23.5 per cent had been requested by the express agency. It proposed, among other things, to cancel the existing 6-cent surcharge on l.c.l. class shipments, increase its minimum charge to \$2.30, and apply a flat increase of \$1.04 or \$1.05 to first-class rates per 100 pounds.

The I.C.C. approved a 20 per cent increase in the first-class rates per 100 pounds, subject to a maximum of \$1.04. It authorized a boost in second-class

rates to bring them to 75 per cent of the new first-class rates.

A new minimum charge of \$1.80 per shipment was approved. It represents a 20 per cent increase over the present minimum of \$1.50.

The 6-cent surcharge, in effect since February 1952, was ordered cancelled.

The express agency also had asked authority to increase most of its other rates and charges by 25 per cent. Included were such items as reicing charges, rates on empty containers returned, valuation charges, C.O.D. service, and carload rates on perishables.

The commission decided to hold the increase to 20 per cent. It refused to allow any increase in reicing charges, and in the case of carload rates on perishable traffic the increase is subject to a maximum of 25 cents per 100 pounds.

Commenting on its findings, the commission said the new rates "will give the agency and the railroads a reasonable opportunity to recoup their out-of-pocket costs from this service, and, in

addition, obtain therefrom a reasonable contribution to their indirect costs and return on investment."

The commission went on to say the new rate basis will enable the carriers to render adequate service to more shippers and receivers, will help avoid an unjust burden on the railroads' freight operations, and will enhance the morale of REA employees by encouraging the maintenance and possible expansion rather than a contraction of present operations.

"Certainly such a basis is worthy of

a trial in the public interest," the commission added. The commission went on to indicate that it held down the size of the rate increase because "the choice is between a drastic increase in rates and charges which will jeopardize all the progress the agency has made in recent months or a moderate increase which will give reasonable assurance that that progress will be continued."

The new REA rates and charges are to become effective not later than October 1, upon 15 days' notice.

carriers, REA would be allowed to consider "overall efficiency" in addition to the usual elements of service, direct routing, car supply and terminal facilities.

This is designed, the application said to give the express agency "a freer hand."

The Missouri Pacific was among the carriers that signed the application. Earlier this year the MP had indicated it might decline to renew its relationship with REA (*Railway Age*, March 2, page 9).

Operations

I.C.C. Gets New REA Contract

Carriers and express agency join in seeking commission approval of new agreement

Seventy-three major railroads and their subsidiaries joined the Railway Express Agency last week in asking the Interstate Commerce Commission to approve a new "Standard Express Operations Agreement."

The present REA contract expires February 28, 1954. The proposed new agreement would extend REA operations through December 31, 1973.

Filing of the new contract was forecast two months ago when the carriers and REA announced they had agreed on a draft agreement to keep the express agency in business beyond next February (*Railway Age*, June 1).

The new agreement covers the "pool-

ing or division of traffic, service and earnings" among rail carriers. It would, in effect, continue the present type and scope of national express service.

Provisions of the existing REA contract "have to some extent been reworded, and rearranged in more logical order," the application stated.

Among the changes in the new agreement is one giving REA more control over refrigerator and other special type cars used for express traffic. It also provides for adoption of "simplified" accounting procedures, and sets up a new arrangement for equalization of terminal expenses on intergroup traffic.

In dividing competitive traffic among

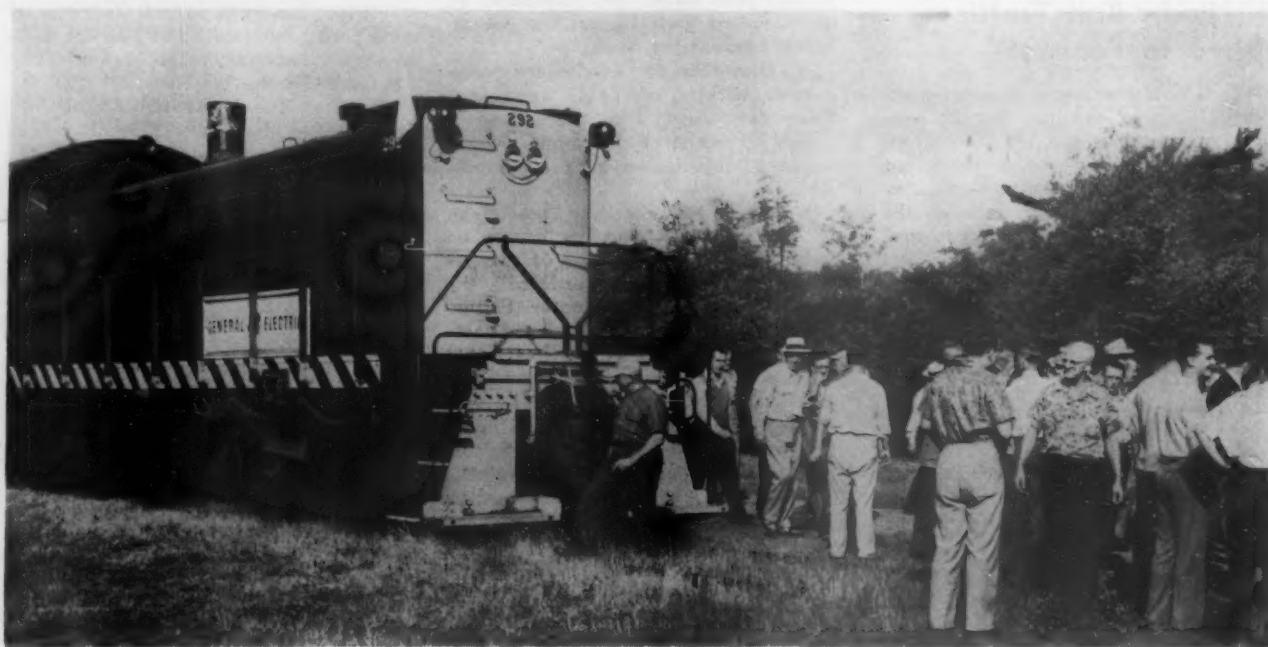
Car Service Orders

Second Revised Service Order 856-C has been issued by the I.C.C. The new order suspends Second Revised Service Order 856 for the month of August. The suspended order provided for inclusion of Saturdays in computing demurrage.

I.C.C. Revised Service Order No. 866, which prescribes operating regulations for movement of freight cars, has been modified by Amendment No. 9. The amendment, in effect, relieves the carriers of unnecessary Saturday work. It is a companion order to No. 856-C.

Second Revised Service Order No. 856 has also been modified by Amendment No. 8. This is a technical amendment in that it vacates Amendment No. 7. The latter provided relief for the July 4 holiday, which fell on Saturday this year.

I.C.C. Second Revised Service Order No. 872, which maintains the permit system controlling movements of grain to Gulf of Mexico and Pacific Northwest ports, has been modified by Amendment No. 2, which set back the



GENERAL ELECTRIC'S locomotive and car equipment department supervisors and engineers attended a recent conference at Conneaut State Park in Ohio. Shown on a

spur track is the Alco-G.E. switcher which pulled the special Bessemer & Lake Erie train from Erie, Pa., to within 100 yards of the hotel at which the conference was held.

expiration date from July 31 to November 30.

I.C.C. Service Order No. 895, effective from July 27 until October 31 unless otherwise modified, authorizes railroads in the far West to furnish not more than three refrigerator cars (FGEX, WFEX, BREX, PFEX, SFRD or NP ownership) in lieu of one box car for transportation of fruit and vegetable containers and box shooks—subject to the carload minimum weight which would have applied if the shipment had been loaded in a box car. The order covers shipments moving from points in Oregon, Washington and California to destinations in California. Also covered are shipments wholly within the state of Washington.

I.C.C. Revised Service Order No. 888, which maintained minimum loading requirements for carload transfer freight, was supplanted by Second Revised Service Order No. 888, effective July 15. The new order has the original order's minimum loading provisions, but these provisions no longer apply to shipments destined 500 miles or more from point of origin or stop-off point. Second Revised S.O. 888 carries an expiration date of October 31.

The Car Service Division, A.A.R., has issued a revised Special Car Order No. 41, effective July 15, to expedite homeward movement of "all gondolas 61 feet or longer." Long gondolas are not to be used for loading "sand, gravel, crushed stone, coal, ore or similar bulk commodities, or other shipments which do not require a long car of this type."

Traffic

Oil Basin Rail Traffic "Hard to Forecast"

"The Williston basin is now established as an oil province, but its relative importance is not yet known and will not be known for a period of years," LeRoy H. Hines, vice-president in charge of oil development of the Northern Pacific, told the Northwest Shippers Advisory Board July 30. From him, members of the board also learned that:

- While development of various Williston basin fields is in progress, none has been sufficiently exploited to delineate productive limits.

- The petroleum industry is now spending an estimated \$100 million annually on exploration and development.

- "There is a question of whether Williston basin oil will only find a substantial market when other sources now available decline and make a place for it, or whether it will find its own place competitively against these other sources."

- "There is also the question of when sufficient production and reserves will be available to justify new transportation facilities—and when sufficient reserves will be established to finance these facilities."

- "In an area where the economy has been geared to ranching and agriculture,

addition of a new industry will, of course, increase traffic. But that increase will be gradual and sometimes imperceptible."

- "Already there is considerable movement of oil by tank car from fields to refining centers. These movements will continue for some time before large scale pipe line facilities are justified. Materials for construction of refineries must be shipped into the territory and refinery products must be moved to local and distant markets. These specific items will generate others which are necessary attributes."

- "Transportation people will be confronted with new and interesting problems."

In Congress

Bill to Take LI Fares From I.C.C. Is Opposed

Edward A Kaier, general attorney of the Pennsylvania, told a subcommittee of the House Interstate Commerce Committee last week that the PRR is opposed to legislation that would remove passenger fares on the Long Island from regulation by the I.C.C.

Mr. Kaier said freight traffic on the LI is profitable—under I.C.C.-approved freight rates. Passenger traffic, on the other hand, has been a big money-loser. Passenger fares have traditionally been fixed by the New York Public Service Commission.

CONGRESS TELLS I.C.C. TO USE THE WOLF REPORT

The Interstate Commerce Commission has been "practically ordered" to put into effect the provisions of the so-called Wolf Report for streamlining commission work.

A House-Senate conference committee, working on I.C.C. appropriations for fiscal 1954, produced a report in which it "strongly recommended" this action by the commission.

Senator Saltonstall, Republican of Massachusetts, told the Senate on July 28 that the wording of this report has "practically ordered" the commission to act. Senator Saltonstall was chairman of the Senate group participating in the conference.

The I.C.C., meanwhile, has indicated that it is "gratified" by this turn of events. Chairman J. Monroe Johnson has written Senator Saltonstall that the commission "notes with pleasure" that Congress has authorized the use of 1954 funds for implementing the Wolf Report.

The appropriations bill was approved by both houses and sent to the White House on July 28. It provides a total of \$9,600,000 for the I.C.C. for the fiscal year which began July 1, 1953.

The level of these P.S.C.-approved passenger fares has been made the subject of a complaint filed with the I.C.C. The complaint, filed last October by the PRR, asked the commission to step in and investigate the LI fare situation (*Railway Age*, October 20, 1952, page 11).

Representative Derounian, Republican of New York, is sponsoring a bill which would relieve the I.C.C. of its authority to conduct such an investigation—at least in the case of the Long Island. The bill is H.R. 6454.

Gregory S. Price, solicitor of the Association of American Railroads, also testified in opposition to the bill. He told the subcommittee that passage of the legislation would create a serious precedent.

People in the News

Kelly Named to Retirement Board to Succeed Kennedy

Raymond J. Kelly, an attorney from Detroit, Mich., has been nominated to the Railroad Retirement Board to succeed William J. Kennedy. Mr. Kennedy has resigned, effective August 31.

Mr. Kelly, a Republican, is a former national commander of the American Legion, and has served as corporation counsel for the city of Detroit. His appointment is for the remainder of Mr. Kennedy's unexpired term, which runs to August 28, 1957.

Bricker Elected to Tobey Post on Senate Committee

Senator John W. Bricker, Republican of Ohio, has been named chairman of the Senate Interstate and Foreign Commerce Committee, to succeed the late Senator Charles W. Tobey.

Senator Tobey, Republican of New Hampshire, died July 24, following a heart attack. He was 73.

Homer E. Capehart, of Indiana, was the second-ranking Republican on the committee which Senator Tobey headed, but decided to pass up the chairmanship because it would mean giving up another chairmanship he already holds on the Senate Banking and Currency Committee. This decision by Senator Capehart left Senator Bricker, third-ranking member of the commerce committee, in line for the chairmanship.

Senator Tobey, sometimes critical of the Interstate Commerce Commission, had been chairman of that Senate committee since last January. In the Republican-controlled 80th Congress, he served as chairman of the Banking and Currency Committee. He was first elected to the Senate in 1938.

The senator's speeches in recent months reflected his opinion that an overhaul of the I.C.C. would solve
(Continued on page 19)

*Southern Pacific Company
Texas and New Orleans Railroad Company*

CLAUDE E. PETERSON
VICE PRESIDENT
SYSTEM PASSENGER TRAFFIC

San Francisco, California

May 8, 1953

Mr. Edward G. Budd, Jr., President
The Budd Company
Hunting Park Plant
Philadelphia 32, Penna. ✓

Dear Mr. Budd:

I feel sure that our recent order placed with the Budd Company for 15 more all-stainless steel chair cars similar to those operating in our Budd-built streamlined Sunset Limited between Los Angeles and New Orleans, makes it quite evident to you that we're pleased with the equipment you built---and more important that the public is pleased with it.

Since the new streamlined Sunset Limited was placed in service in August, 1950, the train has done a very good business indeed. The sleeping cars have been well filled and, of significance in connection with our present order, the coaches have carried capacity loads almost continuously since they were placed in service. We have had to turn people away a great deal of the time.

Nothing succeeds like success and it seems to me there is no better testimonial to a railroad car than the use that is made of it.

Sincerely,

Claude Peterson

28c

We Ourselves
Couldn't
Have Said
It So Well!

FOR '53

IT'S THE MODEL 53

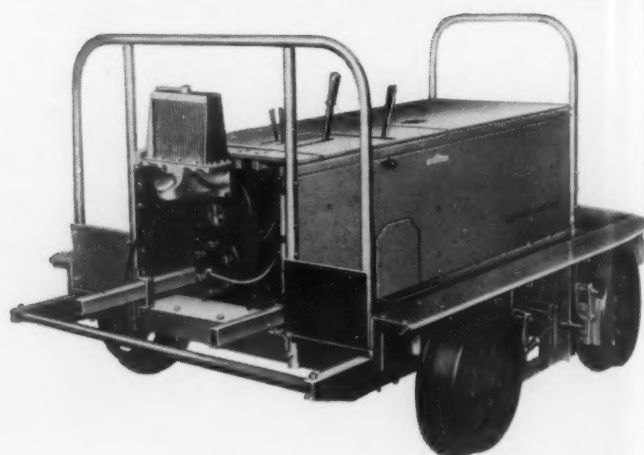
FAIRBANKS-MORSE

MOTOR CAR

and now

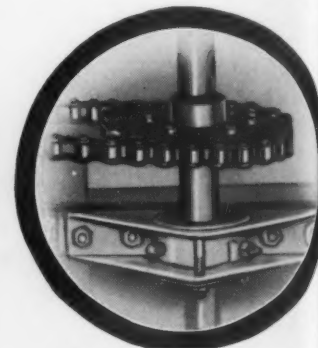
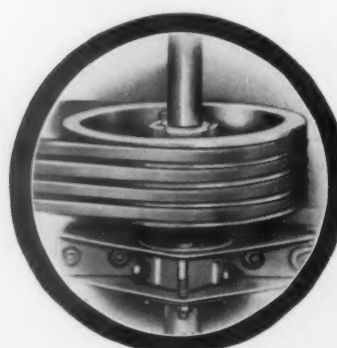
**YOUR CHOICE
OF DRIVE**

*... Chain or
V-Belt drive*



... the generous capacity standard section motor car that accommodates full crew and equipment, yet is light enough for a minimum crew to handle.

The Model 53 brings you all the performance proved features of F-M motor cars including:— low rear lifting weight—low center of gravity—sturdy steel frame—four-wheel brakes—rugged water cooled two-cycle engine. Dependability. Performance. Safety.



The Model 53 has been redesigned so that you may have a choice of Chain Drive or V-Belt Drive—with the same basic motor car and the same clutch assembly.

Each drive brings you the many advantages of the Fairbanks-Morse air-cooled clutch that slipping will not harm. Continued slipping for starting and pulling heaviest loads cannot cause over-heating or damage. Clutch wear with either drive is minor and easily taken-up.

When you need dependable motor-car performance, call your Fairbanks-Morse railroad specialist. He can show you the model built to your standards. Fairbanks, Morse & Co., Chicago 5, Illinois.



FAIRBANKS-MORSE

a name worth remembering when you want the best

RAIL CARS AND RAILROAD EQUIPMENT • DIESEL LOCOMOTIVES AND ENGINES • ELECTRICAL
MACHINERY • PUMPS • SCALES • WATER SERVICE EQUIPMENT • HAMMER MILLS • MAGNETOS

A Few Ideas Worth Hundreds of Millions

The diesel locomotive is widely and justly acclaimed for its spectacular contribution to reduced railroad costs and improved service, and many inquiring minds are now looking around for "another device to continue what the diesel has started." Maybe something of the kind, in the way of equipment, *will* come along to continue this kind of progress. On the other hand, the outstanding salutary device does not *have* to be something as tangible as a piece of equipment—it might be only an idea in the realm of merchandising or pricing.

But worthwhile ideas in merchandising and pricing don't come easy either. They may require just as much tough and sometimes discouraging brain-work as the ideas behind a revolutionary piece of equipment. Such ideas won't evolve in minds that are closed or contented, or burdened with error. For example, many minds that possess the veto in rate matters are semi-paralyzed by inaccurate thinking on the question of "discrimination." Anybody who can make a substantial contribution toward clearer thinking in the right places on such questions could do as much for the railroads as a great inventor.

There was some discussion in this space in our June 1 issue of this important subject. A case was cited in which a producer charged one customer more than another—where the service to the first cost the producer more than his service to the second. We called such a price difference "justifiable discrimination." Now comes W. G. Scott, economist for the Railway Association of Canada, and points out that the situation we described was really not "discrimination" at all, except in the legal sense of the term; economically, price differences in such situations are not discriminatory. Mr. Scott is dead right.

The job of getting traffic on the rails, where they have the "inherent" economic advantage, will not succeed if the railroads are forbidden to take action which is condemned as "discriminatory" when it is no such thing. Says Mr. Scott:

"The true economic definition of discrimination is 'charging different prices for the same service or charging the same price for different services.' The sense in which I use 'service' includes, of course, the cost of providing different services. For example, to move 100,000 tons of coal

might cost substantially less per ton than moving 10,000 tons, yet the freight rate is the same because from the *legal* viewpoint the same commodity is involved."

From the standpoint of economics, however, as Mr. Scott points out, it actually is discriminatory (if costs are less) to charge the shipper of the 100,000 tons the same rate as the 10,000-ton patron pays. Under former conditions of strictly regulated railway monopoly, discrimination in the legal sense was vigorously eliminated, but economic discrimination was not only condoned but was enforced with a heavy hand. Most of the regulatory authorities are still endeavoring to enforce this economic discrimination, but they are not succeeding too well—because the traffic which is discriminated against economically is, in many cases, abandoning the rails and is being diverted to agencies of transportation where economic discrimination is either not enforced at all, or much less rigorously than it is on the railroads.

"Discrimination" or "Differential"

Not all economic discrimination (charging the same price for services of different costs, or different prices for services with equal costs) is unjustifiable, however. Mr. Scott says:

"What is justifiable discrimination? If a railway is moving two identical commodities and the cost of carriage is the same, but competition forces the railway to quote a lower rate for one movement than for the other, then there is discrimination, but justified because the railway's only alternative is the loss of the traffic. The basic purpose behind legislation to curb discrimination was to prevent railways from treating shippers differently for reasons of monopoly control. It was never conceived of as an instrument of control under competition. Yet the I.C.C. is trying to apply it to competitive situations.

"Those who argue that it is discriminatory to charge a large regular shipper a lower rate than a sporadic small shipper completely overlook the fact that the cost to the railways for serving a large shipper may be substantially lower, and by charging the same rate to the regular-volume shipper as to the sporadic small-volume shipper the railways are actually discriminating against the large shipper.

"Regulatory tribunals have consistently failed to see the distinction between charging different rates for two shipments the costs for which are different (not discrimination, but simply differential charging based on different costs), and charging different rates for two shipments the costs for which are the same (economic discrimination)."

It is our strong suspicion that there may be hundreds of millions of dollars involved—for the railroads in increased revenues and for consumers in lower transportation costs—in improving the general understanding throughout the transportation community of these thoughts that Mr. Scott has expressed so clearly.

Questions and Answers

QUESTION — Would increased use of impact recorders, plus prompt handling with crews guilty of handling cars roughly, be of help in the program for reduction of freight loss and damage? (Continued from July 20 issue.)

QUESTION — The terms "service route" and "home route" are used frequently when discussing return of empty unneeded freight cars to their owners. Are these terms synonymous?

QUESTION — A car is ordered and loaded by "A," then turned over to "B," a forwarding company. B's receiving clerk goes to A's plant each night and stamps shipping orders, which are then taken to B's office, where they are pro-ed, rated, billed, etc., and shipped out by B. Both A and B have average agreements. In whose average agreement should the car be reported?

Answer No. 3—My opinion in regard to use of impact registers is that railroads should have a sufficient supply of them so regular tests can be conducted in trains and yards to determine where overspeed impacts are occurring, so the cause for such impacts may be determined and corrective measures applied. Many railroads now have an adequate supply of the in-

Answer—No. *Service route* is the route the car traveled in moving from its owner's rails to the point where it turns up as an unneeded empty. *Home route* is the route the car should move in getting back to its owner.

Of course, under the Direct Route Plan, effective July 1, 1953, box cars now travel a prescribed direct route—which may or may not be the service route—in getting back to their owners. However, other types of cars must be returned home, if no suitable loading is available, via that part of the service route which forms the *most direct home route*.

For example, a Boston & Maine gondola, empty at St. Louis, may have reached that point via New York Central to St. Louis; Chicago, Burlington

and Quincy to Omaha; Chicago, Rock Island & Pacific to Minneapolis; Chicago Great Western to Kansas City, and Missouri Pacific to St. Louis. Obviously, there would be no point in having the car traverse this complete service route to get home, so the MP should arrange for the NYC to accept the car at St. Louis and thus "pick up" the service route. The home route thus becomes simply NYC to B&M. It is hoped—and expected—that experience in operation of the Direct Route Plan for box cars will indicate that a similar plan for disposition of surplus cars of other types is desirable. Thus, determination of the most advantageous home route from the often circuitous service route will be unnecessary.

—O. J. WULLSTEIN, *General Claims Agent, Union Pacific*

—G. C. R.

Answer—Under these circumstances, the party who ordered and loaded the car, "A," was the real shipper, regardless of the fact that "B's" name appeared as shipper on the bill of lading. The detention should be properly charged against the party who ordered and loaded the car (A) and be subject to his average agreement.—COMMITTEE ON DEMURRAGE, EASTERN ASSOCIATION OF CAR SERVICE OFFICERS.

(A number of answers have been received to the recent question on correctness under car service rules of application of certain cars for loading. (See this column, July 6, page 22.) To date, no one has been entirely right in his opinion of the correctness of these loadings. We'll publish the answers here August 31. In the meantime we'd like to see if someone can't "hit" the quiz 100 per cent. So send along your answers.—G. C. R.)

CONDUCTED BY G. C. RANDALL, district manager, Car Service Division (ret.), Association of American Railroads, this column runs in alternate weekly news issues of this paper, and is devoted to authoritative answers to questions on transportation department matters. Questions on subjects concerning other depart-

ments will not be considered, unless they have a direct bearing on transportation functions. Readers are invited to submit questions, and, when so inclined, letters agreeing or disagreeing with our answers. Communications should be addressed to Question and Answer Editor, *Railway Age*, 30 Church Street, New York 7.

People in the News

(Continued from page 12)

regulatory problems faster than changes in the Interstate Commerce Act. He favored adoption of the so-called Wolf Report by the commission, and suggested on several occasions that what the commission needed was "an injection of hormones."

Senator Tobey was born at Roxbury, Mass., but spent most of his life in New Hampshire. An early business career spanned the fields of insurance, agriculture, banking and manufacturing. He entered politics in 1915, serving as a member of the New Hampshire House of Representatives. After several years in the state legislature, he was elected governor, serving in 1929-30. He subsequently served six years as Congressman, and was elected to the Senate in November 1938. He was reelected in 1944 and again in 1950.

Senator Bricker, three-time governor of Ohio and candidate for Vice-President in 1944, was elected to the Senate in 1946. He was reelected last November, and his present term runs to January 3, 1959.

Scott Leaves N.M.B.; Enters Private Practice

John Thad Scott, Jr., a member of the National Mediation Board since March 5, 1948, has resigned to enter private law practice.

Mr. Scott's resignation was accepted by the White House, and became effective July 31. His term on the board would not have expired until February 1, 1954.

Mr. Scott, a Democrat, served as N.M.B. chairman from July 1, 1950, to June 30, 1951. In leaving the board he said his years there had been "happy years," and he hoped that he had succeeded in making some contribution "toward industrial peace on the railroads."

The former board member plans to establish a law office in Houston, Tex., where he was located before entering government service in 1942 with the War Labor Board.

Tuggle Gets Nomination To Fill I.C.C. Vacancy

Kenneth H. Tuggle, a Republican from Kentucky, has been nominated to the Interstate Commerce Commission to fill the vacancy created by the recent retirement of Commissioner Walter M. W. Splawn.

Mr. Tuggle's name was submitted to the Senate on July 28. The Senate Interstate Commerce Committee promptly scheduled a hearing on the nomination for July 30. This move was designed to permit action by the Senate before Congress adjourns.

Mr. Tuggle, active in state politics, was lieutenant governor of Kentucky from 1943 to 1947. He attended the



NEWSLETTER FOR PENSIONERS.

—When a railroad man (or woman) retires, his (or her) interest in the company usually grows in a subconscious attempt to fill the gap of suddenly-dropped daily duties. To meet this need, and keep pensioners of the Rock Island in touch with one another, Barbara Baldry, chief clerk in the road's public relations department, issues regular editions of a newsletter just for retired Rock Island employees. Miss Baldry conceived the idea after reading many letters from pensioners asking help in locating retired former associates; she produces the newsletter entirely on her own. It has a circulation of 5,200.

Republican conventions in 1948 and 1952 as a delegate-at-large from Kentucky, and on both occasions served on the Committee on Resolutions.

Born in 1904, he attended schools in Kentucky and was admitted to the bar in September 1926. His home is at Barbourville, where he has practiced law for 25 years—the last 15 being devoted to civil cases with emphasis on corporate, banking and real estate law.

In 1934, Mr. Tuggle organized the Union National Bank of Barbourville, and has since served as chairman of the board. He also has served as a board member in various other business firms.

The vacancy to be filled by Mr. Tuggle is that created by the retirement of Commissioner Splawn on June 30. The Splawn term runs to December 31, 1954, and Mr. Tuggle's appointment is for this unexpired period.

Figures of the Week

Freight Car Loadings

Loadings of revenue freight in the week ended July 25 totaled 780,705 cars, the Association of American Railroads announced on July 30. This was a decrease of 10,709 cars, or 1.4 per cent, compared with the previous week; an increase of 173,515 cars, or 28.6 per cent, compared with the corresponding

week last year; and a decrease of 39,771 cars, or 4.8 per cent, compared with the equivalent 1951 week.

Loadings of revenue freight for the week ended July 18 totaled 791,414 cars; the summary for that week, compiled by the Car Service Division, A.A.R., follows:

REVENUE FREIGHT CAR LOADINGS			
For the week ended Saturday, July 18			
District	1953	1952	1951
Eastern	132,824	101,437	136,896
Allegheny	161,376	94,555	168,760
Pocahontas	59,117	48,120	66,205
Southern	121,580	113,735	120,907
Northwestern ..	135,280	72,242	138,152
Central Western	123,108	120,977	120,142
Southwestern ..	58,129	57,934	54,316
Total Western Districts	316,517	251,153	312,610
Total All Roads	791,414	609,000	805,378
Commodities:			
Grain and grain products	63,721	66,291	57,682
Livestock	6,823	7,025	6,512
Coal	132,605	105,111	149,441
Coke	12,665	3,662	16,211
Forest products ..	46,789	47,218	45,942
Ore	96,407	11,344	89,950
Merchandise l.c.l.	63,244	66,771	67,254
Miscellaneous ..	369,160	301,578	372,386
July 18	791,414	609,000	805,378
July 11	721,454	572,362	779,308
July 4	670,232	447,516	588,159
June 27	818,450	646,480	821,615
June 20	812,578	643,969	832,942
Cumulative total 29 weeks	21,111,726	20,164,803	22,091,158

In Canada.—Carloadings for the seven-day period ended July 14 totaled 82,282 cars, compared with 70,474 cars for the previous seven-day period, according to the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
July 14, 1953	82,282	30,133
July 14, 1952	80,857	28,433
Cumulative Totals		
July 14, 1953	2,091,923	687,206
July 14, 1952	2,156,860	927,142

Organizations

The New York Division, Railroad Enthusiasts, is planning a trip to Liberty, N.Y., on the New York, Ontario & Western August 22, leaving Weehawken, N.J., at 9:30 a.m. Edward A. Hansen, Box 63, Packanack Lake, N.J., is in charge of arrangements.

The American Association of Railroad Superintendents will hold its fifth annual post-convention West Coast meeting at the Alexandria Hotel, Los Angeles, August 6 and 7. Four of the committee reports prepared for the national meeting in Chicago (*Railway Age*, June 15, page 130) will be the subject of discussion.

In announcing new officers of the **Railway Business Woman's Association of Chicago**, *Railway Age*, July 6, incorrectly stated that Noreen Kinane continued in office as first vice-president. The report should have said that Martha Prestin, of the Milwaukee, who succeeded to the duties of first



FIRST FULL-SCALE UNIT TRAINING since World War II was given this summer at Camp Atterbury, Ind., to 43 reserve officers and 46 reserve enlisted men assigned to General Headquarters of the Army's Military Railway Service. Col. S. R. Beggs, treasurer, Chicago, St. Paul,

Minneapolis & Omaha, was in charge of the program; while Lt. Col. R. L. McDaniel, division engineer, Atchison, Topeka & Santa Fe—Coast Lines (shown above at the rear of the locomotive), headed up training on bridges, tracks and structures.

vice-president upon the death of Miss Kinane, continues in that office.

The **Railway Business Women's Association** of Los Angeles has installed Mildred Bates, of the Pacific Electric, as president for 1953-1954, to succeed Marjorie Heyer of the Santa Fe. Marilee Benedict of the Santa Fe has succeeded Mrs. Bates as first vice-president.

Equipment & Supplies

Domestic Equipment Orders Reported in July

Domestic equipment orders for one diesel unit, 1,745 freight cars and 19 passenger cars were reported by individual purchaser in *Railway Age* in July. Estimated cost of the diesel unit is \$176,000; of the freight cars, \$11,-

763,000; and of the passenger cars, \$3,391,000. An accompanying table lists the orders in detail. In addition, it was reported in the July 16 issue that the Minneapolis & St. Louis has leased 17 "air slide" covered hopper cars from the General American Transportation Corporation.

During the first seven months of 1953, *Railway Age* has reported domestic orders by individual purchaser for 846 diesel units costing an estimated \$134,014,000; 13,814 freight-train cars costing an estimated \$99,030,000; and 159 passenger-train cars costing an estimated \$26,954,094.

The **Missouri-Kansas-Texas** has ordered material to install automatic signals on 45.8 miles of single track between Sealy, Tex., and Eureka, from the Union Switch & Signal Division of the Westinghouse Air Brake Company.

The General Railway Signal Company has received orders for 80 sets of intermittent-inductive train control equipment to be installed on locomo-

Track Exhibit Errata

The Evans adjustable belt DF loader was installed in the C&O box car shown on track at the recent R.S.M.A. exhibit at Atlantic City. In the article on the exhibit in the July 13 *Railway Age*, page 95, it was incorrectly stated that the equipment was installed in a Pullman-Standard box car.

The automatic power tamper displayed was a product of the Electric Tamper & Equipment Co., not of the Matisa Equipment Corporation, as stated on page 96.

tives being built for the **New York Central**. Of the total, 70 were ordered by the Electro-Motive Division of General Motors Corporation and 10 by the American Locomotive Company.

Supply Trade

Wilkens Manufacturing Company has appointed **Seneca Tool Corporation**, New York, as agent for sale of Pedrick piston rings to railroads in East Central and Northeastern states.

Frank J. Bonner, southern California area sales manager for **Sherwin-Williams Company**, has been appointed zone manager, Pacific industrial sales, at Oakland, Cal. He also will have charge of west coast transportation sales.

Valley Bearing & Equipment Co., Chicago, has been appointed by **A. O. Smith Corporation** as sole

DOMESTIC EQUIPMENT ORDERS REPORTED IN JULY

LOCOMOTIVES

Purchaser	No.	Type	Issue Reported	Builder
DSS&A	1	1,600-hp. Rd.-Sw.	July 20	Baldwin-Lima-Hamilton

FREIGHT CARS

CRI&P	25	"Air slide" Cov. Hopper	July 6	General American
KCS	200	50-ton Flat	July 13	Amer. Car & Fdy.
N&W	500	50-ton Box	July 20	Pullman-Standard
SAL	400	Covered Hopper	July 20	Amer. Car & Fdy.
	300	Wood Rack	July 20	Bethlehem Steel
Texas Mexican	20	70-ton Gondola	July 27	Pullman-Standard
WP	300	70-ton Gondola	July 20	Pullman-Standard

PASSENGER CARS

B&O	3	RDC-1	July 20	Budd
	2	RDC-2	July 20	Budd
CMSI&P	2	Sleeping	July 20	Pullman-Standard
CRI&P	12	Sleeping	July 13	Pullman-Standard



WALTER A. ENSTROM, who has been associated with the Pettibone Mulliken Corporation for 30 years, has been appointed manager of the railroad track materials division, at Chicago, in charge of manufacturing, sales and service.



ALBERT SMITH, who has been appointed national sales manager of water cups, transportation and governmental sales, for the Dixie Cup Company, at Easton, Pa. He was formerly assistant national sales manager of the government department and water cup division.

sales agent for its new Boxweld unit and hangar-type freight brake beams.

McDougall-Butler Company has moved its New England warehouse from Salem, Mass., to 25 Fair Oaks street, North Cambridge, Mass. **William A. Boyer** has been appointed sales representative in portions of southwestern and northwestern New York state, with headquarters at Buffalo.

William A. Hatfield, senior vice-president of **Fred Harvey**, has retired, but will continue as a director.

S. M. Cook, manager, power apparatus and signal apparatus sales, **Graybar Electric Company**, at Kansas City, Mo., has been appointed manager of the Milwaukee branch, effective August 15, succeeding **R. J. Harkins**, who is retiring.



WILLIAM S. MOREHEAD, retired manager of stores of the **Illinois Central** (*Railway Age*, June 29), has become associated with the **Pruett-Schaeffer Chemical Company**, at Chicago, in a sales capacity.

The **Budd Company** has established a commercial products department under the general direction of **H. A. Coward**, vice-president. **J. G. Richard Heckscher**, secretary, has been named commercial products manager. **George E. Lallou**, treasurer, will assume also the duties of secretary. **Fred T. Roberts**, manager of truck, bus and trailer wheel sales, has been appointed wheel products manager, under Mr. Heckscher, with headquarters continuing in Detroit.

OBITUARY

Fred G. Teufel, regional sales manager of **Gould-National Batteries, Inc.**, died at his home in Cleveland July 6.

Abandonments

County Asks Abandonment Of P-RSL Branch

The county of Cape May, N.J., has asked the I.C.C. to authorize abandonment of a branch owned and operated by the Pennsylvania-Reading Seashore Lines.

The line is a 3.7-mile segment known as the Stone Harbor branch. An abandonment application was filed by the P-RSL in 1950, but was later dismissed at the road's request.

Stone Harbor, N.J., is a summer cottage resort, and the branch line serves one customer, a lumber company.

The county action in seeking abandonment of the line is unusual but not unprecedented. In a similar case a few years ago the city of Los Angeles in effect forced abandonment of certain rail segments in that city.

Cape May county gave no reason in its application as to why it is seeking abandonment of the Stone Harbor line. It said the county's Board of Chosen Freeholders decided at an April 21 meeting to file the application.

Authorizations

CHICAGO, ROCK ISLAND & PACIFIC.—To abandon a 24.1-mile segment of branch line between Clear Lake, S. D., and Watertown. Operation of the line has resulted in net deficits for several years, the commission said.

DETROIT, CARO & SANDUSKY.—To abandon its entire line, extending from a connection with the Chesapeake & Ohio at Sandusky, Mich., to a connection with the New York Central at Caro. Main-line trackage totals 31.1 miles, and there are 4.2 miles of side tracks. The I.C.C. ruled that the DC&S shall sell its facilities to any responsible person or firm offering to buy them within 40 days for not less than their net salvage value.

MAINE CENTRAL.—To abandon a 0.4-mile segment of branch line at Skowhegan, Me., to eliminate congestion and "hazard of railroad operation" within the business district.

READING.—To abandon a 6.8-mile segment of branch line, from Dornsife, Pa., to the end of the line in Herndon borough. Limited demand indicates there is no future need for the line, the commission said.

Financial

Investment Publications

[The surveys listed herein are for the most part prepared by financial houses for the information of their customers. Knowing that many such surveys contain valuable information, *Railway Age* lists them as a service to its readers, but assumes no responsibility for facts or opinions which they may contain bearing upon the attractiveness of specific securities.]

Fahnestock & Co., 65 Broadway, New York 6.

Baltimore & Ohio Railroad Co. Weekly Review, July 20.

Paine, Webber, Jackson & Curtis, 25 Broad st., New York 4.

Five Attractive Railroad Stocks (Atlantic Coast Line; Denver & Rio Grande Western; Illinois Central; Kansas City Southern; Chicago, Rock Island & Pacific). Research Department Bulletin, Vol. XVII, No. 50, July 2.

Smith, Barney & Co., 14 Wall st., New York 5.

Gulf, Mobile & Ohio Railroad Company. Railroad Bulletin No. 135, July 14.

Illinois Central Railroad Company. Railroad Bulletin No. 130, June 15.

Lehigh Valley Railroad Company. General Consolidated D 4s, 2003. Railroad Bulletin No. 134, July 9.

Railroad Earnings. Railroad Bulletin No. 133, July 6.

Cuban Government May Buy United of Havana

The Cuban government reportedly plans to take over, either by purchase or expropriation, the British-owned United Railways of Havana, a 1,300-mile system serving western Cuba.

The government, it is said, hopes to

obtain the railway for approximately \$10 million, but to finance the purchase plans to issue \$20 million in bonds. Operation of the line would be turned over to a new company to be known as Ferrocarriles Occidentales de Cuba, with a capital of \$30 million, in which private investors would reportedly participate.

Erie.—*Acquisition.*—Division 4 of the I.C.C. has authorized this road to acquire direct ownership of all properties owned by two subsidiaries, the Sharon and the Paterson & Hudson

River. The two subsidiary companies will be dissolved. The Sharon owns 7.9 miles of main line between Sharon, Pa., and Pymatuning Junction, and this segment is a part of the Erie main line. The Sharon also has 24.8 miles of branch line. The P&HR extends from Paterson, N.J., to Marion Junction, about 14 miles. It also is part of the Erie main line. In the case of the Sharon, Division 4 fixed a price of \$50 per share on any publicly owned Sharon stock which may be offered for sale to the Erie. Only 780 such shares are outstanding.

Securities

Chesapeake & Ohio.—*Increases Holdings in New York Central.*—Through acquisition of 155,259 additional shares of NYC common stock, the C&O has increased its total interest in the Central to 800,000 shares, or approximately 12½ per cent of the total stock outstanding. Walter J. Tuohy, C&O president, is reported to have said that the additional stock was acquired as a result of "a further appraisal of

Microwave to Control C.T.C.

Switches and signals for authorizing train movements, on 90-mile single-track ore railroad in Venezuela, to be controlled without use of line wires

The world's first use of microwave transmission for remotely controlling power switches and signals, in a centralized traffic control system, is now being installed on a 90-mile railroad, under construction, to haul iron ore from the United States Steel Corporation's new Cerro Bolivar mine in Venezuela to the harbor at Puerto Ordaz. The railroad is to be completed this fall, and ore shipments from Puerto Ordaz to U.S. Steel's new Fairless Works at Morrisville, Pa., and to Birmingham, Ala., are scheduled for early 1954.

The 90-mile single-track railroad, between the mine and Puerto Ordaz, includes a yard at the mine and eight intermediate sidings. Signals and power switches at this yard, and four sidings,

are to be controlled from a C.T.C. machine at Puerto Ordaz.

The project combines Union Switch & Signal's centralized traffic control and coded (voice-frequency) control systems, with transmitters and receivers developed by the Radio Corporation of America. Radio towers are being installed at Cerro Bolivar and Puerto Ordaz, as well as at intermediate sidings as shown on the map.

To control the two sidings nearest Puerto Ordaz, the panel will transmit coded pulses over a three-mile multi-conductor cable to the radio tower location.

These pulses will key a 2.9-kilocycle U.S.&S. transmitter which, in turn, will modulate an R.C.A. VHF transmitter. Receivers located at the

sidings will pick up the code indications, and operate signals and switches accordingly.

The two sidings near Cerro Bolivar also will be controlled from the panel at the port. The keyed output of the U.S.&S. transmitter will modulate an R.C.A. FM radio transmitter. The microwave channel will transmit signals to Cerro Bolivar, where a demodulated 2.9-kilocycle code will modulate an R.C.A. VHF transmitter. This transmitter will then activate Union C.T.C. equipment controlling switches and signals at two sidings.

In addition, the tower location at Cerro Bolivar will have a Union 2.9-kilocycle receiver, operating C.T.C. equipment which will repeat control code pulses to a line running from the tower location to the five-track yard and the holding signal.

Tower locations at the four sidings will be capable of transmitting, as well as receiving, code indications.

Switches and signals at four set-off sidings, which are shown with no towers alongside, are to be hand-controlled.

HOW IT BEGAN . . .

This microwave and radio project in Venezuela is a direct result of an experiment conducted in 1946. Using Brady tower, 65 miles north of Pittsburgh on the Pennsylvania line to Buffalo, as the focal point, Union Switch & Signal engineers sent carrier current pulses to Pittsburgh over the railroad's line wires. These pulses were picked up and transmitted via Western Union's aerial and cable circuits, first to Washington, and then to Philadelphia. From the latter city, the pulses were beamed to New York by R.C.A. radio, sent back to Pittsburgh via Western Union, and finally returned to Brady tower over line wires. There, they were converted from carrier current to direct current and sent over regular code lines along the railroad for operation of switches and signals. The most remarkable fact concerning the experiment was that the C.T.C. controls and indications were transmitted over almost 900 miles of communication channels, erected and in use for other purposes.

MICROWAVE AND RADIO will be used to control signals and switches on a 90-mile railroad in Venezuela, as shown in artist's drawing.



the progress made by New York Central and its outlook."

New York, Chicago & St. Louis.—Restricted Stock Option Plan.—This road has asked the I.C.C. to approve a restricted stock option plan for officers and key employees. The plan calls for issuance of 101,750 shares of the road's common stock, with a maximum of 10,000 shares being optioned to any one employee. The plan would be administered by a three-man committee from the road's board of directors. Its purpose is to provide incentive and encourage officers and key employees to remain with the road. Stockholders approved the option plan at a May 19 meeting.

Authorization

DENVER & RIO GRANDE WESTERN.—To assume liability for \$3,300,000 of series S equipment trust certificates, the second installment of a proposed \$9,900,000 issue. The present installment will be used to finance in part 613 drop-bottom gondola cars costing an estimated \$4,409,922 (*Railway Age*, May 4, page 18). Division 4 approved sale of the certificates at 99.267 with interest at 3½ per cent—the bid of Salomon Bros. & Hutzler and three associates—which will make the average annual cost of the proceeds to the road approximately 3.62 per cent. The certificates, dated as of May 1, will mature in 30 semiannual installments of \$110,000 each, beginning November 1, 1953. They were offered to the public at prices yielding from 3.05 to 3.6 per cent, according to maturity.

Application

GULF, MOBILE & OHIO.—To assume liability for \$4,500,000 of series G equipment trust certificates, to finance in part 750 freight cars costing an estimated \$5,665,000:

	Description and Builder	Estimated Unit Cost
50	70-ton covered hopper cars (Pullman-Standard Car Manufacturing Company)	\$ 7,500
300	95-ton hopper cars (Pullman-Standard)	10,300
400	50-ton gondola cars (American Car & Foundry Co.)	5,500

The certificates, dated September 1, would mature in 30 semiannual installments of \$150,000 each, beginning March 1, 1954. They would be sold by competitive bidding, with the interest rate to be set by such bids.

Dividends Declared

ATLANTA & CHARLOTTE AIR LINE.—\$4.50, semiannual, payable September 1 to holders of record August 20.

ATLANTA & WEST POINT.—\$3, payable August 1 to holders of record July 22.

CLEVELAND & PITTSBURGH.—7% preferred, 87½¢, quarterly; 4% special guaranteed, 50¢, quarterly, both payable September 1 to holders of record August 10.

INTERNATIONAL OF CENTRAL AMERICA.—5% preferred, \$1.25, accumulation, payable August 15 to holders of record August 4.

LOUISVILLE, HENDERSON & ST. LOUIS.—5% preferred, \$2.50, semiannual, payable August 15 to holders of record August 1.

PEORIA & BUREAU VALLEY.—\$2.12½, payable August 10 to holders of record July 31.

SOUTHERN.—new common, 62½¢, payable September 15 to holders of record August 14.

WESTERN OF ALABAMA.—\$5, payable August 1 to holders of record July 22.

Security Price Averages

	July 28	Prev. Week	Last Year
Average price of 20 representative railway stocks	63.31	64.09	63.94
Average price of 20 representative railway bonds	90.27	90.14	93.10

Railway Officers

EXECUTIVE

Ernest J. Carr, general freight traffic manager of the ILLINOIS CENTRAL at Chicago, has been promoted to assistant vice-president at that point, succeeding **R. A. Trovillion**, who has been appointed vice-president in charge of traffic (*Railway Age*, June 29). Mr.

Carr began his railway career as office boy for the IC. Promoted to secretary to president in 1925, he entered the traffic department in 1931 as chief clerk, and later became office manager to vice-president. In 1936 he was promoted to general traffic agent at

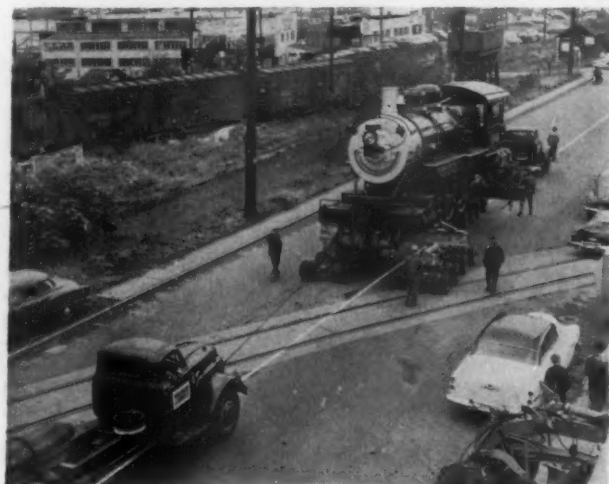


Ernest J. Carr

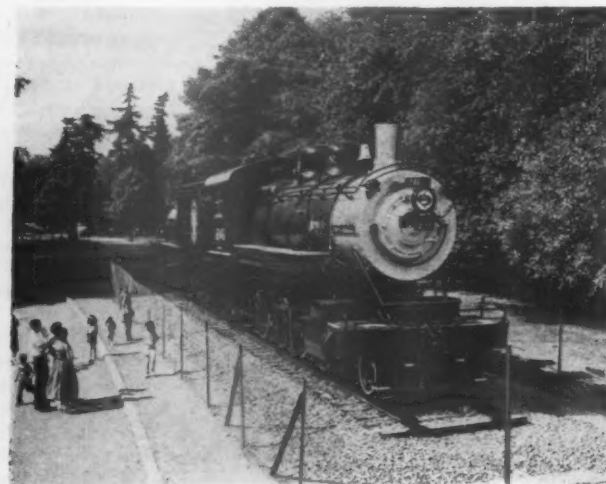
Omaha, transferring to Birmingham in 1937; and was advanced to assistant traffic manager at St. Louis in 1939; to general eastern traffic manager at New York in 1945; to freight traffic manager at Chicago in 1950, and to general freight traffic manager in 1951.

Charles F. Duggan, vice-president—operation of the ILLINOIS CENTRAL at Chicago, retired August 1. He has been succeeded by **Clyde J. Fitzpatrick**, general manager.

Mr. Duggan joined the IC as stenographer at Dubuque, Iowa, in 1916. Two



RAPID PASSING of the steam locomotive from the American railway scene has prompted several roads to donate an iron horse for permanent display in some public place. Latest to do so is the Great Northern, which has given the venerable Consolidation pictured above to the city of Seattle for display in the recreation area of Woodland park. The task of moving the 143-ton locomotive and its tender through city streets attracted children "like the Pied Piper of Hamelin," according to local press reports.



RESTING on a 78-ft. stretch of track laid to Great Northern main-line standards, the Baldwin-built locomotive gleams in colors of a bygone era—silvered smokebox and stack, olive green boiler and cylinder jackets and bright red cab roof all covered with two coats of protective finish. Permanent fencing (not yet installed) will keep vandals out, but supervised "inspections" of the cab will be frequent. A small scenic railway, with a five-car streamlined train, will pass by the far side of the exhibit.

years later he was appointed chief accountant at Champaign, Ill., and in 1920 was promoted to chief clerk to superintendent there. Subsequently, he was trainmaster, superintendent, Iowa



Charles F. Duggan

division, and assistant general manager. He was elected vice-president—operation in 1945.

Mr. Fitzpatrick entered railway service with the IC in 1925, and from 1929 to 1941 was dispatcher, chief clerk to assistant master mechanic at Markham yard, operator, assistant general yardmaster, assistant chief clerk to terminal manager, and assistant trainmaster. In 1941 he was promoted to train-



Clyde J. Fitzpatrick

master at Freeport, transferring to McComb, Miss., that same year. He was named superintendent, Springfield division, in 1942; transferred to the Iowa division in 1945, and became general superintendent transportation later that year. In 1951 he was appointed general manager.

OPERATING

Gilbert H. Kern, who has been appointed superintendent of the CHICAGO, INDIANAPOLIS & LOUISVILLE at Lafayette, Ind. (*Railway Age*, June 29), entered railway service with the New York Central in 1910. He joined

the Monon in 1913 as agent and operator; became train dispatcher in 1917, and from 1944 to 1952 was successively chief dispatcher, trainmaster, division trainmaster, and assistant to vice-president—operations. He was appointed assistant to superintendent in 1952 and assistant to general superintendent in May 1953.

TRAFFIC

C&EI Creates Traffic Development Department

"To find new techniques which will increase the effectiveness of modern handling of freight traffic," the Chicago & Eastern Illinois has created a new development department at Chicago.

David T. Sheehy, former assistant industrial agent, has been appointed manager of the new department, which will encompass the former industrial department in both scope and appli-



David T. Sheehy

cation. A broader program for the new department includes research for new methods to handle present and future traffic, as well as the more traditional duties of promoting industrial development.

Mr. Sheehy joined the C&EI in 1948 as special passenger representative. He had served with the New York, New Haven & Hartford, and as an officer in the U.S. Army Transportation Corps during World War II.

A. W. Bonnycastle, general freight and passenger agent of the MISSOURI-KANSAS-TEXAS at Los Angeles, and **C. E. Veatch**, general freight agent—solicitation at St. Louis, have retired. Named to succeed Mr. Bonnycastle is **R. G. Matthews**, commercial agent at Los Angeles. Mr. Veatch's successor is **F. W. Ahrens**. Newly appointed as general freight and passenger agent at San Francisco is **G. J. White**, general agent.

The WESTERN TRAFFIC ASSOCIATION has opened an office in the Sheraton building, 711 14th street, N.W., Washington, D.C., and has placed **Leonard**

Hill, assistant to chairman of the W.T.A.'s executive committee in charge.

H. B. Secor, field representative for the GRAND TRUNK WESTERN's industrial department at Detroit, has been named industrial commissioner at that point, succeeding **F. R. Locke**, who recently retired.

James A. Adair, terminal passenger agent of the CANADIAN PACIFIC at Winnipeg, has been appointed traveling passenger agent, succeeding **Ernest G. Rennels**, retired.

Joseph L. Miller has been appointed general agent, sales and service, of the WESTERN MARYLAND at Reading, Pa.

William V. Layman, chief clerk in the traffic department of the UNION PACIFIC, has been appointed general agent at Chicago.

The ST. LOUIS-SAN FRANCISCO has opened a new traffic office in Jackson, Miss., August 1. Named as general agent to head the new office is **James H. Tribble**, assistant chief clerk to general traffic manager at St. Louis.

P. E. White, eastern traffic manager of the WESTERN PACIFIC at New York, has been promoted to the newly created position of traffic manager—Eastern region, there. **A. H. Lund**, assistant traffic manager at Chicago, has been advanced to traffic manager—Central region at that point. Named as assistant to traffic manager at Chicago is **J. B. Warren**, eastern perishable freight agent there.

Fred Lingenfelder, assistant general passenger agent of the UNION PACIFIC at Portland, Ore., has been advanced to general passenger agent at that point (*Railway Age*, April 13). Mr. Lingenfelder entered railway service in 1907 with the Texas & Pacific, and from 1911 to 1919 was with the Rock Island at Ft. Worth, Tex. In 1921 he joined the UP at Portland and advanced through a series of traffic department positions to become assistant general passenger agent in 1942.

David Storey, general agent of the CHICAGO GREAT WESTERN at Seattle, Wash., retired June 30. He has been succeeded by **B. A. Stokke**.

Fred Heimlicher, Jr., general freight agent of the ILLINOIS CENTRAL at Memphis, has been promoted to freight traffic manager at St. Louis. Named as assistant freight traffic manager at Memphis is **W. Richard Jones**, assistant general freight agent there. **James E. Gardner**, general agent at Pittsburgh, has been named general freight agent at Memphis. Mr. Heimlicher joined the IC in 1934 as an apprentice in the traffic department at Chicago. In 1944, after working at St. Louis, Louisville, Bloomington, Ill., and Springfield, he was appointed commercial agent at Washington, D.C., and in 1946 was promoted to general agent

at Detroit. He was transferred to Pittsburgh in 1949 and in 1950 became general freight agent at Memphis.

Mr. Jones entered IC service in 1920 as office boy at Memphis. Following subsequent promotions, he was advanced to chief rate clerk at New Orleans in 1932; to office manager there in 1943, and to assistant general freight agent at Jackson, Miss., in 1945. In 1949 he was transferred to Memphis.

Mr. Gardner began his IC career in 1936 at Chicago. Subsequent promotions took him to Sioux City, Iowa; Omaha, Neb.; Carbondale, Ill., and Miami, Fla., before he was appointed general agent in the coal department at Chicago in 1945. He was transferred to Washington in 1946 and to Pittsburgh in 1950.

George N. Sabin, general freight agent of the CHICAGO & EASTERN ILLINOIS at Chicago, has been promoted to freight traffic manager—rates and divisions, at that point. Succeeding Mr. Sabin is **Joseph Cibulka**, assistant general freight agent, who in turn has been succeeded by **Charles A. Geringer**, senior divisions clerk. Named as general freight agents—rates are **Charles F. Bosch** and **William F. Custer**. **Felix J. Branecki**, chief rate clerk, has been promoted to assistant general freight agent



George N. Sabin

—rates, and **William A. Doncer**, rates and divisions clerk, has been named assistant to general freight agent—rates. **William H. Peake, Jr.**, general agent at Washington, D.C., has been transferred to Pittsburgh, and **Russell K. Wilhelmsen**, general agent at Salt Lake City, replaces Mr. Peake at Washington.

Mr. Sabin joined the C&EI in 1950 as assistant general freight agent, after having served as transportation rate analyst for the U.S. Department of Justice. He became general freight agent in 1953.

C. H. Pistor, freight traffic manager—rates of the TEXAS & PACIFIC, has been advanced to general freight traffic manager at Dallas. Mr. Pistor began his railway career in 1917 as secretary and stenographer to general freight



CHARLES HOFER, general agent of the Missouri Pacific at New York, who has been named assistant traffic manager at Detroit (*Railway Age*, July 6).

agent of the former Mobile & Ohio. From 1924 to 1928 he held various clerical positions on the Missouri-Kansas-Texas and in the latter year joined the T&P as clerk at Dallas. He



C. H. Pistor

was advanced to assistant general freight agent in 1935; to general freight agent in 1947; to assistant freight traffic manager in 1948, and to freight traffic manager in 1952.

Charles R. Spafford, general agent of the GREAT NORTHERN at Sioux Falls, S.D., has been transferred to Great Falls, Mont., to succeed the late **Carl M. Lundhagen**. **Lyle E. Moore**, traveling freight agent at St. Paul, succeeds Mr. Spafford.

Appointed as freight traffic managers of the ILLINOIS CENTRAL at Chicago are **Leon Godchaux** and **Charles A. Sublett**, assistant freight traffic managers. **Ralph L. Andreas**, general freight agent at Chicago, has been named assistant freight traffic manager there, and **Urbain J. Burvant**, general traffic agent, has been appointed general freight agent.

Mr. Godchaux began his IC career in 1922 as clerk at Memphis; was

promoted to chief clerk in 1926 and in 1934 became office manager to freight traffic manager. He was appointed assistant general freight agent in 1936, later advancing to assistant to freight traffic manager, to general freight agent (1944) and assistant freight traffic manager (1951).

Mr. Sublett entered IC service as clerk at Chicago in 1916. He has since served as traveling freight and passenger agent at Carbondale, Ill. (1925); office manager (1936); assistant general freight agent (1937); general



Charles A. Sublett

freight agent (1944), and assistant freight traffic manager (1948).

Mr. Andreas joined the IC in 1934 as chief clerk at Minneapolis. In 1935 he was promoted to traffic agent at Grand Forks, N.D.; in 1942 to general agent at Washington, D.C.; in 1944 to district freight agent there, and in 1946 to general traffic agent at Chicago. He became general freight agent there in 1950.

Mr. Burvant became associated with the IC in 1934 in the general freight office at Chicago. He later served as city freight agent and traveling freight agent at New Orleans; chief clerk and commercial agent at Louisville, Ky.; district traffic agent at Bloomington, Ill., and office manager to vice-president at Chicago. He became general traffic agent in 1948.

Albert H. Sturm, city passenger agent of the CHICAGO, INDIANAPOLIS & LOUISVILLE, has been named general agent—passenger department, at Indianapolis, succeeding the late **R. W. Ruble**.

J. G. Donnelly has been appointed general traffic manager of the PACIFIC FRUIT EXPRESS COMPANY at Chicago, succeeding **C. E. Carner**, retired.

Howard S. Powell, freight traffic manager of the ILLINOIS CENTRAL at Chicago, has been appointed general freight traffic manager there. Named as assistant general freight traffic manager is **Carl A. Larsen**, freight traffic manager at St. Louis. Mr. Powell began his railway career with the Rock

Island as rate clerk in 1920. In 1926 he joined the IC as rate expert at Memphis and in 1932 was promoted to chief clerk at New Orleans. He was named chief of divisions bureau at Chicago in 1934 and subsequently was promoted to chief commerce agent (1941); assistant general freight agent (1942); general freight agent (1948); assistant freight traffic manager (1950); and freight traffic manager (1951).

Mr. Larsen, in 1925, joined the IC traffic office at Sioux City, Iowa. He later was transferred to Chicago, being appointed office manager to vice-president—traffic in 1942. In 1945 he was appointed general freight agent; in 1949 assistant freight traffic manager; and in 1950 freight traffic manager at St. Louis.

Harry S. Zane, general freight traffic manager of the CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC at Chicago, retired July 31, after 49 years of service. A photograph and biography of Mr. Zane were published in *Railway Age* March 2, page 25.

Russel E. Sippel, regional sales manager of the RAILWAY EXPRESS AGENCY at St. Louis, has been appointed regional traffic manager at Chicago. Named as regional sales manager at Detroit is **Harold E. Shipley**. Mr. Sippel began his express career as driver at Moberly, Mo., in 1926, and has since been agent at Sedalia (1947); supervisor transportation at St. Louis (1948); and district sales representative (1950). He became regional sales manager in 1951.

Mr. Shipley entered express service at Kansas City in 1940, and was appointed agent at Goodland, Kan., in 1947; commercial agent at Houston in 1950; and district sales representative at San Antonio in 1951. Since November 1952 he has been on the staff of the assistant vice-president—sales.

C. L. Toney, division passenger agent of the SOUTHERN, has been promoted to assistant general passenger agent, with headquarters remaining at Asheville, N.C., succeeding **O. C. Wilson**, who has retired after more than 46 years of service with the Southern. **A. E. Huffman**, traveling passenger agent at Atlanta, Ga., has been promoted to division passenger agent at Asheville, succeeding Mr. Toney.

ENGINEERING

E. L. Haberle, assistant bridge engineer of the GREAT NORTHERN at St. Paul, retired July 31. Named to succeed him is **E. T. Franzen**, assistant engineer in the bridge department. Mr. Haberle joined the GN in 1913 as draftsman. After holding a number of other engineering positions, he was named structural engineer in 1929 and assistant bridge engineer in 1947.

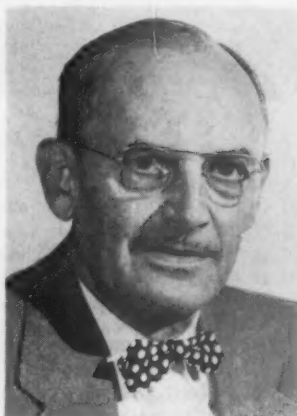
Mr. Franzen entered GN service as assistant roadmaster at Willmar, Minn., in 1937. After serving in other capaci-



G. H. HOUSE, who has been appointed signal engineer of the Chicago South Shore & South Bend at Michigan City, Ind. Mr. House is in charge of overhead contact system, signal system, telephone and radio communication systems, and general electrical maintenance. He was formerly with the Duluth, Missabe & Iron Range.

ties there, at Grand Forks, N.D., and at St. Paul, he became structural engineer at the latter location in 1944. In 1949, he advanced to assistant engineer in the bridge department.

Ralph R. Smith, who has been appointed assistant chief engineer maintenance of way of the New York CENTRAL at New York (*Railway Age*, July 6), was born at Buffalo, and joined the Central there in 1920 as chairman. Following promotions to assistant supervisor of track and super-



Ralph R. Smith

visor, he was named division engineer at Jersey Shore, Pa., in 1940. He was appointed assistant district engineer at Cleveland in 1944 and became assistant engineer maintenance of way there earlier this year.

MARINE

T. A. Winkel, assistant superintendent of steamships of the CHESAPEAKE & OHIO at Manitowoc, Wis., has

been appointed superintendent of steamships—maintenance at Ludington, Mich. **R. C. Thomsen**, assistant to superintendent of steamships at Ludington, has been named superintendent of steamships—operations at that point.

SPECIAL

Ernest H. Hallmann, manager of personnel of the ILLINOIS CENTRAL, has been named director of personnel at Chicago, succeeding **G. J. Willingham**, who will become president and general manager of the PEORIA & PEKIN UNION September 1 (*Railway Age*, July 13). Mr. Hallmann joined the IC in 1926 as clerk in the accounting department, transferring later to



Ernest H. Hallmann

the mechanical department. He subsequently became secretary to general superintendent at Chicago, and in 1938 was named yardmaster at Bluford, Ill. The following year he was promoted to trainmaster at Clinton, transferring to the Iowa division in 1944. He was appointed superintendent, Springfield division, in 1945 and in 1949 became manager of personnel.

OBITUARY

Carl M. Lundhagen, general agent of the GREAT NORTHERN at Great Falls, Mont., died July 7.

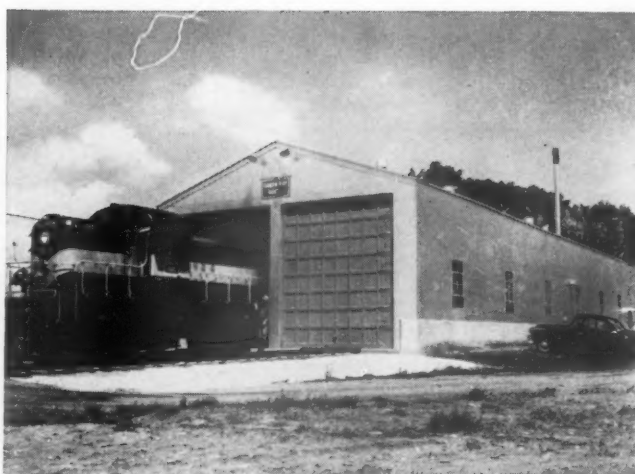
James A. MacLean, 61, who retired nearly a year ago as assistant secretary of the NEW YORK CENTRAL at New York, died July 28 at his home in Yakima, Wash.

F. H. Stapleton, regional director of the RAILROAD RETIREMENT BOARD at Denver, Colo., died July 19 in St. Joseph's Hospital there.

Clarence L. Hamilton, retired superintendent transportation of the PENNSYLVANIA's former northwest region, died July 23.

William H. Whitehead, 79, who was comptroller of the READING from 1926 to 1945, died July 24 at his home in Wales, Pa.

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*have something
in common*



Think how simple it is to specify an electric motor to meet your specific needs. You can do the same thing with Armco Steel Buildings.

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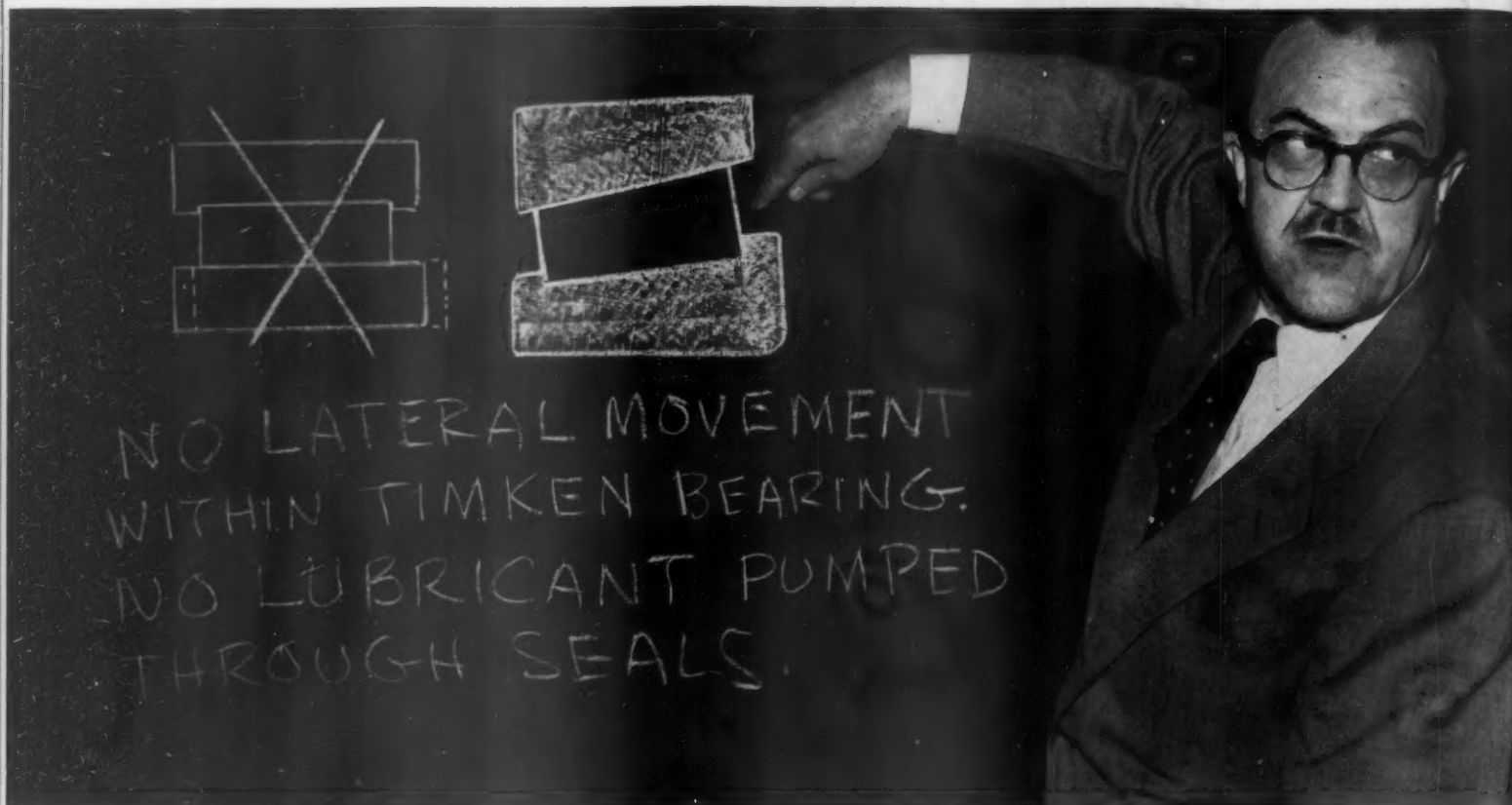
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A SPECIAL MESSAGE FOR

...FROM THE TIMKEN ROLLER BEARING COMPANY



This month Dr. Oscar Horger demonstrates that absence of lateral movement is one reason why:

The taper makes TIMKEN® the only journal bearing that delivers what you expect when you buy a roller bearing

YOU invest in roller bearings to end the hot box problem and cut costs. For two big reasons, the Timken® tapered roller bearing is the *one* bearing you can count on to protect that investment:

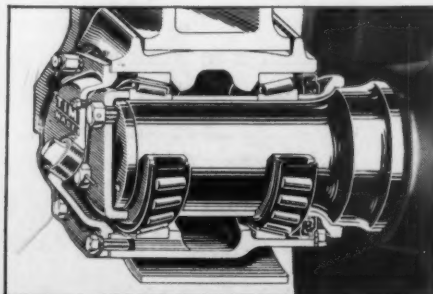
1) No lateral movement within the bearing. Because of the high unit pressures in roller bearings, lateral movement can score the rollers and races, shorten bearing life. Free lateral movement also pumps lubricant through the seal and out of the journal box, draws dirt and water in. And auxiliary thrust devices are needed to take the thrust resulting from free lateral

movement. These devices are hard to lubricate with grease, need more maintenance. In Timken bearings, the taper prevents free lateral movement, permits the bearings to take thrust without other devices. There's no scuffing, no pumping action. This helps end the hot box problem, means less maintenance, less lubricant, and longer bearing life.

2) Positive roller alignment. The taper holds ends of rollers snug against the rib, and there the wide area contact keeps the rollers properly aligned. Cage acts only as a spacer. The rollers can't skew to up-

set the full line contact. As a result, the load is always carried over the *full* length of the rollers.

Get what you pay for when you switch to roller bearings to prevent hot boxes and cut costs. Get Timken *tapered* roller bearings. The Timken Roller Bearing Company, Canton 6, Ohio. Cable address: "TIMROSCO".



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NOT JUST A BALL  NOT JUST A ROLLER  THE TIMKEN TAPERED ROLLER  BEARING TAKES RADIAL  AND THRUST  LOADS OR ANY COMBINATION 